

Title of Opportunity: Fiscal Year (FY) 2010 Pre-Disaster Mitigation (PDM) Grant – Joint Explanatory Statement (JES) Spending Items. This guidance will be referred to as FY10 PDM-JES.

Federal Agency Name: Federal Emergency Management Agency (FEMA)

Announcement Type: Initial

Dates: A Notice of Intent (NOI) providing preliminary information regarding requests for funding under FY10 PDM-JES is due no later than 30 calendar days from the date of the release of this guidance. A complete application is due December 3, 2010.

Article I. FUNDING OPPORTUNITY DESCRIPTION

The FY10 PDM-JES grant is a one-time initiative authorized by Public Law (P.L.) 111-83: The Department of Homeland Security Appropriations Act, 2010.

Article II. AWARD INFORMATION

It is anticipated that multiple subgrant awards will be made to communities identified in the JES accompanying P.L. 111-83, satisfying the total earmarked amount of \$24,636,064. FEMA will make funds available to respective States as subgrants are awarded not to exceed the amount detailed in the JES.

A. Authorizing Statutes

Section 203, Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 United States Code [U.S.C.] 6196c) (Stafford Act).

B. Period of Performance

The period of performance (POP) of this grant is 36 months. Extensions to the POP will be considered only through formal requests to FEMA that provide specific and compelling justifications as to why an extension is required.

C. Available Funding

In FY10, the total amount of earmarked funds available under this grant will be \$24,636,064.

Article III. ELIGIBILITY INFORMATION

Eligibility of mitigation activities will be determined based on their compliance with all applicable Federal statutory and regulatory requirements including, but not limited to:

- PDM requirements as established by the Stafford Act, §§203 (b), (e), and (g);
- Office of Management and Budget (OMB) Circulars A-87 and A-94;

- Environmental Planning and Historic Preservation (EHP) requirements;
- Uniform Administrative Requirements for Grants (44 Code of Federal Regulations [CFR] Part 13); and
- Property Acquisition and Relocation for Open Space (44 CFR Part 80).

A. Eligible Applicants

Only those applicants identified in Table 1 - Joint Explanatory Statement Spending Items, may apply to FEMA for funds. All interested entities who are eligible subapplicants (e.g., a State agency or local government/community) identified in Table 1 must apply to their respective applicant. A named entity in Table 1 that is not an eligible subapplicant must request its activity be included in a subapplication submitted by an eligible subapplicant. Subapplicants must submit subapplications to their respective applicant for review, consideration, and inclusion in the grant application.

Table 1 - Joint Explanatory Statement Spending Items

Applicant	Entity	Earmarked Amount
Alabama	Alabama Emergency Management Agency, AL	\$200,000
Alabama	City of Hartselle, AL	\$245,000
Alabama	City of Prattville, AL	\$500,000
Arkansas	Arkansas Department of Emergency Management, AR	\$750,000
Arkansas	Arkansas State University-Beebe, AR	\$452,000
Arkansas	Drew County, AR	\$366,564
California	City of Burbank, CA	\$225,000
California	City of Colton, CA	\$200,000
California	City of Davis, CA	\$275,000
California	City of Emeryville, CA	\$600,000
California	City of Los Angeles, CA	\$1,000,000
California	City of Los Angeles, CA	\$500,000
California	City of Santa Clarita, CA	\$500,000
California	Orange County Fire Authority, CA	\$252,000
Connecticut	Westport Fire Department, CT	\$265,000
Florida	City of Coconut Creek, FL	\$500,000
Florida	City of Flagler Beach, FL	\$750,000
Florida	City of Miami, FL	\$600,000
Florida	City of Miami Beach, FL	\$750,000
Florida	City of Venice, FL	\$200,000
Florida	Jackson Health System, FL	\$500,000
Georgia	Henry County, GA	\$275,000
Iowa	City of Camanche, IA	\$187,500
Illinois	DeKalb County, IL	\$350,000
Illinois	Village of La Grange Park, IL	\$150,000
Kentucky	City of Brooksville, KY	\$18,500
Kentucky	Kentucky Emergency Management, KY	\$500,000

Applicant	Entity	Earmarked Amount
Kentucky	Louisville-Metro Government, KY	\$500,000
Kentucky	Russell County Fiscal Court, KY	\$200,000
Massachusetts	Town of Winthrop, MA	\$500,000
Maryland	City of Rockville, MD	\$650,000
Maryland	State of Maryland, MD	\$1,000,000
Minnesota	City of Hokah, MN	\$590,000
Missouri	City of Maryville, MO	\$175,000
Mississippi	Mississippi Homeland Security Office, MS	\$500,000
North Carolina	City of Kannapolis, NC	\$425,000
North Carolina	McDowell Hospital, Marion, NC	\$220,000
North Carolina	North Carolina Office of Emergency Management, NC	\$165,000
New Jersey	City of Trenton, NJ	\$300,000
New Mexico	San Miguel County, NM	\$400,000
Nevada	City of Reno, NV	\$500,000
New York	Town of Shelter Island, NY	\$200,000
New York	Town of Union and City of Binghamton, NY	\$462,000
New York	Village of Pelham, NY	\$562,500
Ohio	Lake County Stormwater Management Agency, OH	\$725,000
Ohio	Lorain County, OH	\$200,000
Ohio	Lucas County Engineer, OH	\$500,000
Ohio	Ohio University, Athens, OH	\$200,000
Tennessee	Shelby County, Memphis, TN	\$325,000
Texas	CHRISTUS St. Elizabeth Hospital, Beaumont, TX	\$250,000
Texas	City of Hidalgo, TX	\$500,000
Texas	City of New Braunfels, TX	\$500,000
Texas	City of Robstown, TX	\$500,000
Texas	Harris County Flood Control District, TX	\$1,000,000
Utah	Brigham City Corporation, UT	\$250,000
Virginia	Town of Occoquan, VA	\$25,000
Washington	King County, WA	\$750,000
West Virginia	Town of Hambleton and Town of Davis, WV	\$450,000

Each State or Commonwealth shall designate one agency to serve as the applicant for the PDM-JES program.

If funding is awarded, the applicant then becomes the “grantee” and is responsible for administering the grant and the subapplicant becomes the “subgrantee.”

B. Eligible Activities

In order to be eligible, activities must meet all requirements referenced in this guidance, based on the Stafford Act. Eligible activities for PDM-JES funding include hazard mitigation projects, hazard mitigation planning, and management costs.

Eligible Hazard Mitigation Projects

- Property acquisition and structure demolition;
- Property acquisition and structure relocation;
- Structure elevation;
- Dry floodproofing of historic residential structures;
- Dry floodproofing of non-residential structures;
- Minor localized flood reduction projects;
- Structural retrofitting of existing buildings;
- Non-structural retrofitting of existing buildings and facilities;
- Safe room construction;
- Infrastructure retrofit;
- Soil stabilization;
- Wildfire mitigation including:
 - Defensible space;
 - Structural retrofit; and
 - Hazardous fuels reduction.
- Nontraditional hazard mitigation projects:
 - Purchase of stand-alone, permanently installed generators and/or related equipment when the generator directly relates to the hazard(s) being mitigated;
 - Warning sirens; and
 - Engineering designs or studies that are integral to the development and implementation of a mitigation project that:
 - addresses a problem that has been repetitive or poses a significant risk to public health and safety if left unsolved; and
 - solves a problem independently or constitutes a functional portion of a solution where there is assurance that the project as a whole (including construction) will be completed.¹
- Cost-effective mitigation component of a project pertaining to a dam;

¹ The engineering design resulting from the grant shall lead to actual construction of the project per the design and substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster. The grantee must demonstrate this by documenting, through the funded design effort, that the resulting construction project: (i) addresses a problem that has been repetitive or a problem that poses a significant risk to public health and safety if left unresolved; (ii) will not cost more than the anticipated value of the reduction in both direct damages and subsequent negative impacts to the area if future disasters were to occur; (iii) has been determined to be the most practical, effective, and environmentally sound alternative after consideration of a range of options; (iv) contributes, to the extent practicable, to a long-term solution of the problem it is intended to address; and (v) is incorporated into the Local Mitigation Plan.

- Other natural hazard mitigation activities consistent with State or local hazard mitigation plans; and
- Outreach and information dissemination that directly relates to an eligible mitigation activity, up to 10 percent of the subgrant.

Eligible Hazard Mitigation Planning

- Planning activities are designed to develop State, Tribal, and local mitigation plans that meet the planning requirements outlined in 44 CFR Part 201. A mitigation planning subgrant award must result in a mitigation plan adopted by the jurisdiction(s) and approved by FEMA prior to the end of the POP; and
- Risk analysis or risk assessment that results in updated State or local hazard mitigation plans in accordance with 44 CFR Part 201 as a deliverable of the grant performance.

Management Costs

- Indirect costs, administrative expenses, and other expenses not otherwise accounted for that are reasonably incurred by a grantee or subgrantee in administering a grant or subgrant award; and
- Management costs will be awarded only in conjunction with project or planning grants and subgrants.

C. Ineligible Activities

Subapplications that propose ineligible activities will be denied and applicants will be asked to resubmit an eligible subapplication. Although not comprehensive, the following list provides examples of activities that are not eligible for PDM-JES funding:

- Projects that do not reduce the risk from natural hazards to people, structures, or infrastructure;
- Projects that are dependent on another phase of a project(s) in order to be effective and/or feasible (i.e., the project is not a stand-alone mitigation project that solves a problem independently or constitutes a functional portion of a solution);
- Projects for which actual physical work such as groundbreaking, demolition, or construction of a raised foundation has occurred prior to award. Acquisition projects for which demolition of structures and debris removal has already occurred may be eligible when such activities were initiated or completed under the FEMA Public Assistance program to alleviate a health or safety hazard resulting from a disaster;
- Projects involving the construction of new buildings or facilities (e.g., Emergency Operation Centers, Fire Departments, 911 call centers) and other new construction that does not have quantifiable mitigation benefits;
- Projects that create revolving loan funds;
- Activities required as a result of negligence or intentional actions, or the reimbursement of legal obligations such as those imposed by a legal settlement, court order, or State law;
- Projects located in a Coastal Barrier Resource System Unit or in an Otherwise Protected Area;

- Activities on Federal lands or associated with facilities owned by another Federal entity;
- Major flood control projects related to the construction, demolition, or repair of dams, dikes, levees, floodwalls, seawalls, groins, jetties, and breakwaters, and erosion projects related to beach nourishment or re-nourishment;
- Projects for hazardous fuels reduction in excess of 2 miles from structures;
- Projects that address unmet needs from a disaster that are not related to mitigation;
- Projects that only address man-made hazards;
- Projects that address operation, deferred or future maintenance, repairs, or replacement (without a change in the level of protection provided) of existing structures, facilities, or infrastructure (e.g., dredging, debris removal, replacement of obsolete utility systems, bridges, and facility repair/rehabilitation);
- Projects involving research or engineering design studies that merely develop project plans/proposals, conduct feasibility studies, conduct environmental studies, involve permitting type activities (including environmental permitting activities to support U.S. Army Corps of Engineers or other similar future projects), or identify or analyze hazards or problems;
- Projects for the purpose of:
 - Landscaping for ornamentation (trees, shrubs, etc.);
 - Site remediation of hazardous materials (with the exception of eligible activities such as the abatement of asbestos and/or lead-based paint and the removal of household hazardous wastes to an approved landfill);
 - Construction of water quality infrastructure;
 - Projects that address ecological or agricultural issues;
 - Protection of the environment and/or watersheds;
 - Forest management;
 - Prescribed burning or clear-cutting;
 - Creation and maintenance of fire breaks, access roads, or staging areas; and
 - Irrigation systems.
- Mapping and planning activities, such as plan revisions/amendments or risk assessments, when they do not result in a FEMA-approved hazard mitigation plan;
- Purchase of equipment and supplies;
- Preparedness measures and response equipment (e.g., Community Emergency Response Training, table top exercises, response training, flood or other hazards monitoring for purposes of predicting hazard events or initiating response, electronic evacuation road signs, evacuation plans, and interoperable communication equipment); and
- Activities for which FEMA determines the primary or more specific authority lies with another Federal agency or program.

D. Cost Sharing

The total cost to implement approved mitigation activities is funded by a combination of Federal and non-Federal sources. Both the Federal and non-Federal share must be for eligible costs used in direct support of the approved activities under this guidance and the grant award. These Federal funds, or funds used to meet the cost share requirements, may not be used as a cost share for other Federal funds. Contributions of cash, in-kind services or materials, or any combination thereof, may be accepted as part of the non-Federal cost share. In general, Federal funds may be used to pay up to 75 percent of the eligible activity costs. The remaining 25 percent of eligible activity costs are derived from non-Federal sources.

Small Impoverished Communities

In accordance with the Stafford Act, small impoverished communities may receive a Federal cost share of up to 90 percent of the total amount approved under the grant award to implement eligible approved activities.

A small impoverished community must:

- Be a community of 3,000 or fewer individuals identified by the State as a rural community that is not a remote area within the corporate boundaries of a larger city;
- Be economically disadvantaged, with residents having an average per capita annual income not exceeding 80 percent of the national per capita income, based on best available data. For the most current information, go to <http://www.bea.gov>;
- Have a local unemployment rate that exceeds by 1 percentage point or more the most recently reported, average yearly national unemployment rate. For the most current information, go to <http://www.bls.gov/eag/eag.us.htm>; and
- Meet other criteria required by the State in which the community is located.

Applicants must certify and provide documentation of the community status with the appropriate subapplication to justify the 90 percent cost share. If documentation is not submitted with the subapplication, FEMA will provide no more than the standard 75 percent of the total eligible costs.

E. Restrictions

In accordance with Section 308 of the Stafford Act and Title VI of the 1964 Civil Rights Act, this program is administered in an equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, disability, English proficiency, or economic status. In addition, Federal assistance distributed by State and local governments is to be implemented in compliance with all applicable laws.

Applicants and subapplicants must ensure that no discrimination is practiced. Applicants and subapplicants must consider fairness, equity, and equal access when prioritizing and selecting project subapplications to submit with their grant application. Subapplicants also must ensure fairness and equal access to property owners and individuals that benefit from mitigation activities.

The applicant must avoid conflicts of interest. The applicant must comply with the procurement guidelines in 44 CFR §13.36, which urges applicants to avoid situations where local officials with oversight authority might benefit financially from the grant disbursement.

The grantee is required to ensure that their procurements are subject to full and open competition and undergo a cost or price analysis before award as stated in 44 CFR §13.36. The grantee must comply with guidelines for awarding and administering subgrants as stated in 44 CFR §13.37.

Restrictions on the use of the funding are referenced in Article IV, F of this guidance.

Article IV. APPLICATION, TECHNICAL ASSISTANCE, AND SUBMISSION INFORMATION

A. Application Package

The application procedure for PDM-JES grants involves completing a two-step application process including the submittal of an NOI and a subapplication to FEMA. In all instances, the subapplicant develops and submits an NOI and subapplication to the applicant. The applicant forwards the NOIs to FEMA and includes subapplications in the grant application to FEMA. If the subapplicant does not intend to pursue funding, a statement declining the available funds should be submitted to the applicant and forwarded to FEMA.

The first step of the application process is the completion of an NOI by the subapplicant and submittal of the NOI to FEMA by the applicant. If FEMA approves the NOI, the applicant will receive notification from FEMA to proceed with the second step of the application process; preparation of the subapplication for submittal.

NOIs are submitted electronically to FEMA at FEMA-JES-PDM@dhs.gov and must be received no later than 30 calendar days from the release of this guidance.

The second step of the application process is the subapplicant's completion and submittal of a subapplication to the applicant, who then includes it as part of a grant application to FEMA. Applications are submitted via the Electronic Grants (*eGrants*) system and must be received by FEMA by December 3, 2010.

The *eGrants* system encompasses the entire grant application process and provides the means to electronically create, review, and submit a grant application to FEMA via the Internet. Applicants and subapplicants can access *eGrants* at <https://portal.fema.gov>. If a subapplicant does not use the *eGrants* system, the applicant must enter the paper subapplication(s) into the *eGrants* system on the subapplicant's behalf. Blank applications that conform to the *eGrants* format are available for printing from the *eGrants* system and the FEMA Web site. Supporting documentation that cannot be electronically attached to the *eGrants* application (e.g., engineering drawings, photographs, and maps) must be submitted to FEMA. The entire application, including all paper documentation, must be received by FEMA no later than the application deadline.

Applicants must provide a Dun and Bradstreet Data Universal Numbering System (DUNS) number with their application. This number is a required field within <http://www.grants.gov> and for Central Contractor Registration (CCR). Applicants should verify that they have a DUNS number, or take the steps necessary to obtain one as soon as possible. Applicants can receive a DUNS number at no cost by calling the dedicated toll-free DUNS number request line at

(866) 705-5711. The application process also involves an updated and current CCR by the applicant. Eligible applicants must confirm CCR at <http://www.ccr.gov>.

B. Technical Assistance

Applicants may request technical assistance in support of subapplication development by contacting FEMA at FEMA-JES-PDM@dhs.gov. Technical assistance is available to support the application process, project development, engineering feasibility, EHP requirements, and benefit-cost analysis (BCA).

FEMA has established an eGrants Helpdesk via telephone: (866) 476-0544, or via e-mail: nteegrants@dhs.gov, with standard hours of operation from 9 a.m. to 5 p.m. eastern time.

C. Content and Form of Application

The NOI should include the following:

- Project title/description;
- Name and contact information for the local community point of contact;
- Description of the natural hazard, the problem that the activity intends to mitigate, and a brief summary of the proposed solution, e.g., scope of work (SOW);
- Cost estimate for the activity; and
- Estimated timeline for initiating and completing the activity.

In general, a PDM-JES application or subapplication includes, but is not limited to:

- A detailed SOW including the location, purpose, objective(s), approach, feasibility, expected outcomes, and benefits of the activity;
- A work schedule for all tasks identified in the SOW;
- A cost estimate and narrative that describes all anticipated costs associated with the SOW and that identifies source(s) and amounts of non-Federal cost share contribution(s);
- A legible, complete, and well-documented discussion of the project's cost effectiveness or a BCA;
- Appropriate documentation to support the determination of feasibility and effectiveness; and
- Information about potential impacts on environmental resources and/or historic properties in the project area.

D. Submission Dates and Times

NOIs are due to the PDM-JES e-mail account, FEMA-JES-PDM@dhs.gov, no later than 30 calendar days from the release of this guidance. The completed FY10 applications must be entered into eGrants by December 3, 2010. To allow for and facilitate application review, feedback, and modification cycle, applicants are highly encouraged to submit their application(s) prior to the deadline. Applications submitted or modified after the final deadline will not be

reviewed or considered for funding.

E. Intergovernmental Review

It may be necessary to allow sufficient time for an intergovernmental review of an application as established by Executive Orders (EOs) 12372 and 12416. If an applicant chooses not to participate in the intergovernmental review process, the application may be sent directly to FEMA. Guidance on the intergovernmental review process, including the names and addresses of the Single Point of Contact listed by OMB, is available at: <http://www.whitehouse.gov/omb/grants/spoc.html>.

F. Funding Restrictions

Allowable costs are costs that are necessary and reasonable for the proper and efficient performance and administration of the Federal award. The total Federal share may not exceed the amount identified in the JES.

Management Costs:

- Subapplicant management costs should be included as separate line items in the cost estimate of the subapplication and are limited to 5 percent of the project cost; and
- Applicants may apply for a maximum of 10 percent of the total funds requested in their grant application budget (Federal and non-Federal shares) for management costs to support the project and planning subapplications included as part of their grant application. Applicants requesting applicant management costs must submit a separate Management Costs subapplication in eGrants. This subapplication must be included in the overall grant application or the request will not be considered. Management costs are subject to JES cost-sharing requirements. Applicants who are not awarded grant funds for project or planning activities will not receive reimbursement for costs incurred in developing and submitting applications.

G. Other Submission Requirements

Pre-Award Requirements

Eligible project costs incurred after the grant application period has opened, but prior to the date of the grant award, are identified as pre-award costs. FEMA may allow eligible pre-award costs as part of the total project costs. Pre-award costs should be identified as separate line items in the cost estimate of the project application. Applicants and subapplicants that are not awarded grant funds will not receive reimbursement for pre-award costs.

Costs associated with project implementation, project initiation, or project completion will not be eligible if they are incurred prior to award.

Schedule

Subapplications should include a work schedule for all project tasks identified in the SOW, such as data collection, site survey, property appraisal, permitting and inspections, site preparation, demolition, construction, and relocation. The schedule should identify timeframes for accomplishing significant milestones. Proposed schedules for individual subapplications should not exceed 36 months.

For planning subapplications, it is critical that the work schedule allow sufficient time for State and FEMA reviews, preparation of required revisions if needed, formal adoption by the jurisdiction(s), and FEMA approval.

Scope of Work

The SOW describes the objectives, methodology, outcomes, timeline, milestones, resources, deliverables, and benefits of, as well as reasons for, the proposed project. The narrative must establish the “who, what, where, when, and how” of the proposed project and the anticipated timeline. Applicants must demonstrate that they and their subapplicants can complete the projects within the 36-month work schedule limitation.

SOWs should include the following, as well as applicable references and supporting documentation:

- Purpose of the project (e.g., What are you planning to do? What is the intended outcome of the project?);
- Clear, concise description of the proposed project and the means to implement and construct it, including a description of any associated construction activities, such as temporary access roads or staging yards (e.g., How will the project be implemented and by whom?);
- Outcomes (e.g., What are the expected accomplishments? What members of the community population directly or indirectly benefit from the project?);
- Engineering design parameters and copies of, or reference to:
 - Proposed schematic or detailed engineering drawings, or engineering design; and
 - Applicable building code/edition or engineering standard used (e.g., for drainage projects this may be a State or local standard or requirement).
- Description of the maintenance agreements to be in place for long-term upkeep of the proposed project;
- For new technology, information regarding laboratory tests, field-testing, and other aspects of the technology; and
- Location within the community and/or geographic extent of the project (natural, built, and socioeconomic environments).

Scope of Work Modifications

Requests for SOW modifications after grant award may be permissible but must be supported by adequate justification from the applicant in order to be processed. All requests must be submitted in writing and FEMA will make the final decision. There is no guarantee that SOW modifications will be approved.

Cost Estimate

The cost estimate describes all of the subapplicant’s anticipated costs associated with the SOW for the proposed mitigation activity. Cost estimates must include detailed estimates of various cost item categories such as labor, materials, equipment, and subcontractor costs. No lump-sum

estimates will be accepted. The cost estimate must identify the cost categories and value for which anticipated cash and in-kind contributions will be used to meet the non-Federal cost share.

Subapplicants must provide an explanation and documentation demonstrating how the cost estimate was developed and the basis for each cost element, such as salary and fringe benefit rates for personnel, bids from qualified professionals, and costs established in nationally published or local cost estimating guides. If a cost estimate is based on a contractor's bid or historic costs from another activity, detailed documentation as outlined above must still be provided.

Separate cost line items in a subapplication are required to ensure that cost thresholds are not exceeded. The following line items must be listed separately in the budget, as applicable:

- Pre-award costs;
- Subapplicant management costs; and
- Information dissemination costs.

Additionally, the cost estimate should indicate items for which the cost may change, such as a price quoted by a contractor that is only valid for 12 months. Neither contingency nor escalation costs are permitted as individual line items in the cost estimate.

Cost Effectiveness

Proposed activities must be cost effective. Cost effectiveness is typically demonstrated by a BCA. For each proposed activity, except mitigation planning proposals, applicants must provide a BCA or a detailed qualitative cost-effectiveness analysis (CEA) of the proposed project in accordance with OMB A-94 when benefits are difficult to quantify. Prior to using the CEA approach the applicant or subapplicant must receive FEMA approval.

Benefit-Cost Analysis

A BCA is a well-established method for quantitatively comparing the benefits and costs of mitigation projects. The result is a Benefit-Cost Ratio (BCR), which is derived from a project's total net present value of benefits (i.e., the value of benefits today versus the value of future benefits after taking inflation and rate of return into account) divided by the total project cost, including all documented project and maintenance costs. Only projects with a BCR of 1.0 or greater will be considered; all others will be removed.

The applicant is encouraged to ensure that the BCA includes all benefits associated with the proposed mitigation project. Adequate documentation is required to support individual project BCAs. Using FEMA-approved software will ensure that all calculations are prepared in accordance with OMB Circular A-94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs* and FEMA's standardized methodologies. FEMA provides software (BCA Version 4), written materials, and training that facilitate the process of preparing a BCA. BCA Version 4 is the only FEMA-provided software that may be used to conduct a BCA. BCA Version 4 is available from FEMA-JES-PDM@dhs.gov.

Documentation must be accurate and sufficiently detailed for FEMA to thoroughly review the development of the BCR. If FEMA standard values are used, no documentation is required. If non-standard values are used, documentation that shows how values for each data input were derived must be provided so that the credibility and validity can be evaluated. Documentation

can include copies of Web pages, copies of data from Flood Insurance Studies (FISs), or engineering reports. FEMA recommends obtaining information from credible technical sources, including engineering studies such as an FIS, technical Web sites (e.g., U.S. Geological Survey and National Oceanic and Atmospheric Administration), academic organizations, and State agencies.

Sources of Funding

The application must include documentation of any other sources of Federal and non-Federal funding that will be used to support the proposed projects, including the funding amount, the granting Federal agency, and any constraints associated with use of the funds.

Hazard Mitigation Plan Requirement

In accordance with 44 CFR Part 201, all applicants must have a FEMA-approved State (Standard or Enhanced) Hazard Mitigation Plan by the application deadline and at the time of obligation of the grant funds. In addition, all subapplicants for mitigation projects must have a FEMA-approved local hazard mitigation plan by the application deadline and at the time of obligation of grant funds. There is no local hazard mitigation plan requirement if the subapplicant is applying for a planning subgrant.

FEMA may grant an exception to the local hazard mitigation plan requirement in extraordinary circumstances, when adequate justification is provided. If this exception is granted, a local hazard mitigation plan must be approved by FEMA within 12 months of the award of the project subgrant to that community.

Feasibility and Effectiveness Requirement

Mitigation projects must be both feasible and effective at mitigating the risks of the hazard(s) for which the project was designed. A project's feasibility is demonstrated through conformance with accepted engineering practices, established codes, standards, modeling techniques, or best practices. Effective mitigation measures must provide a long-term or permanent solution to a risk from a natural hazard.

Environmental Planning and Historic Preservation Requirement

All PDM-JES funded activities must conform to 44 CFR Parts 9 and 10, and with all applicable EHP laws, implementing regulations, and EOs including, but not limited to, the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), the Endangered Species Act (ESA), EO 11988 (Floodplain Management), EO 11990 (Protection of Wetlands), and EO 12898 (Environmental Justice). Compliance with applicable EHP requirements ensures appropriate consideration of reasonable alternatives, while taking the project's impacts to the human environment into account in the decision-making process.

Special Flood Hazard Area Requirements

For structures that remain in a Special Flood Hazard Area (SFHA) after the implementation of a mitigation project, flood insurance must be maintained for the life of the structure to an amount at least equal to the project cost or to the maximum limit of coverage made available for the particular property, whichever is less. Insurance coverage on the property must be maintained throughout the life of the property regardless of transfer of ownership of such property.

The subgrantee (or property owner) must legally record with the county or appropriate jurisdiction's land records a notice that includes the name of the current property owner (including book/page reference to record of current title, if readily available), a legal description of the property, and the following notice of flood insurance requirements:

“This property has received Federal hazard mitigation assistance. Federal law requires that flood insurance coverage on this property must be maintained during the life of the property regardless of transfer of ownership of such property. Pursuant to 42 U.S.C. 5154a, failure to maintain flood insurance on this property may prohibit the owner from receiving Federal disaster assistance with respect to this property in the event of a flood disaster. The Property Owner is also required to maintain this property in accordance with the floodplain management criteria of 44 CFR Part 60.3 and City/County Ordinance.”

Applicants and subapplicants receiving assistance for projects sited in an SFHA must ensure that these requirements are met by requesting that the participating property owner(s) sign an *Acknowledgement of Conditions for Mitigation of Property in an SFHA with FEMA Grant Funds* form and providing the form to FEMA prior to grant award. This form is available on the FEMA Web site at: http://www.fema.gov/government/grant/sfha_conditions.shtm, or from the appropriate FEMA Regional Office. Properties that do not meet these requirements will not be eligible to receive assistance under the PDM-JES program.

If an approved PDM-JES project affects the accuracy of the applicable Flood Insurance Rate Map (FIRM), the subgrantee is responsible for ensuring that appropriate map amendments or revisions are made. Costs associated with map amendments may be identified in the cost estimate section of a subapplication, following hazard mitigation planning requirements.

Article V. APPLICATION REVIEW INFORMATION

A. Review Criteria

Eligibility and Completeness Review

FEMA will review all applications and subapplications for eligibility and completeness. Applications and subapplications that do not satisfy the eligibility and completeness requirements will not be funded.

Cost-Effectiveness Review

FEMA will review the documentation provided in support of the application or subapplication BCA or CEA to validate the accuracy and credibility of data and ensure the appropriate use of the CEA or BCA methodologies. Only applications and subapplications meeting cost-effectiveness requirements will be considered eligible.

Engineering Feasibility and Effectiveness Review

FEMA will use the information provided in the application or subapplication, including the SOW, project cost estimate sections, and supporting documentation, to determine the engineering feasibility and effectiveness of the mitigation activity. FEMA will consider the following criteria in reviewing project feasibility and effectiveness:

- Conformance to accepted engineering practices, established codes, standards, modeling techniques, or best practices, as well as work schedule;
- Effectiveness in mitigating the risks of the hazard(s); and
- Reasonableness of the cost estimate.

Environmental Planning and Historic Preservation Review

Applicants and subapplicants are required to provide information to facilitate the FEMA EHP compliance review. FEMA, in consultation with appropriate Federal and State resource agencies, will use the information provided in the application or subapplication, including the SOW, project cost estimate, as well as any supporting documentation, to ensure compliance with applicable EHP requirements. As part of the EHP review process, FEMA will assess compliance with applicable Federal, State, Indian Tribal, and local laws; implementing regulations; and EOs, including, but not limited to:

- NEPA;
- NHPA;
- ESA;
- 44 CFR Part 9;
- EO 11988, Floodplain Management;
- EO 11990, Protection of Wetlands; and
- EO 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations.

B. Review Process

The application or subapplication will be reviewed by FEMA personnel. The initial review will be to determine applicant eligibility as described in Article III, Eligibility Information. An application or subapplication submitted by a non-eligible entity will be removed from further consideration. Following determination of eligibility, the application or subapplication will be reviewed using the review criteria described above. At its discretion, FEMA may request additional information to support its eligibility determination.

C. Anticipated Announcement and Award Dates

Following receipt of the completed eligible application or subapplication, FEMA will notify the applicant of award decisions as the decisions are made.

FEMA will notify the applicant of activities required, such as an EHP review, verification of subapplicant commitments, verification of hazard mitigation plan status, and of the date by which all required activities must be completed. FEMA may request information or documentation from the applicant to facilitate these activities or to resolve outstanding program, administrative, or procedural requirements. The applicant must respond to such requests for information from FEMA within 60 days. Failure to comply may result in the grant not being awarded. FEMA may utilize a conditional awards process; all programmatic requirements must be met prior to FEMA's release of funds.

Article VI. AWARD ADMINISTRATION INFORMATION

A. Notice of Award

FEMA will provide an award package to applicants for successful subapplications. Subapplicants will receive notice of award from the applicant. Award packages include an award letter, FEMA Form 76-10A, and Articles of Agreement, which must be signed by the applicant in *eGrants* and returned to FEMA for approval before funds can be obligated.

When applicants or subapplicants accept an award, they are denoted as grantees and subgrantees, respectively. Grantees and subgrantees agree to abide by the grant award terms and conditions as set forth in this guidance and the Articles of Agreement.

B. Administrative and National Policy Requirements

Successful applicants may be subject to the following administrative and national policy requirements:

- The grantee and any subgrantee shall comply with the most recent version of the Administrative Requirements, Cost Principles, and Audit Requirements. A non-inclusive list of regulations commonly applicable to FEMA grants are listed below:
 - Administrative Requirements:
 - 44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments; and
 - 2 CFR Part 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (OMB Circular A-110).
 - Cost Principles:
 - 2 CFR Part 225, Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87);
 - 2 CFR Part 220, Cost Principles for Educational Institutions (OMB Circular A-21);
 - 2 CFR Part 230, Cost Principles for Non-Profit Organizations (OMB Circular A-122); and
 - Federal Acquisition Regulations (FAR), Part 31.2 Contract Cost Principles and Procedures, Contracts with Commercial Organizations.
 - Audit Requirements: OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
- Adherence of the proposed project(s) to applicable Federal, State, Indian Tribal, and local laws, implementing regulations, and EOs, including but not limited to:
 - NEPA;

- NHPA;
 - ESA;
 - EOs 11988 and 11990;
 - 44 CFR Part 9; and
 - EO 12898.
- Adherence to OMB Circular A-94, Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs;
 - Recipient understands and agrees that it cannot use any Federal funds, either directly or indirectly, in support of the enactment, repeal, modification, or adoption of any law, regulation, or policy, at any level of government, without the express prior written approval of FEMA; and
 - Adherence to OMB Circular A-16, Coordination of Geospatial Information and Related Spatial Data Activities, and EO 12906, Coordinating Geospatial Data Acquisition and Access: The Nation's Spatial Data Infrastructure, and Department of Homeland Security implementing requirements (www.fgdc.gov).

Period of Performance

The POP is the period of time during which the grantee is expected to complete all grant activities and to incur and expend approved funds. The POP begins on the date the grant is awarded and ends no later than 36 months from the award of the final subgrant under the grant. The POP termination date is established by the subgrant with the latest completion date.

FEMA will not establish activity completion timeframes for individual subgrants. Grantees are responsible for ensuring that all approved activities are completed by the end of the grant POP.

Requests for extensions to a grant POP will be evaluated by FEMA but will not be approved automatically. The initial request for an extension to a grant POP may not exceed 12 months. Grantees may request additional extensions; however, the grant POP will not be extended beyond 24 months from the POP termination date. All requests to extend the grant POP beyond 12 months from the original grant POP termination date must be approved by FEMA Headquarters.

All extension requests must be submitted to FEMA at least 30 days prior to the expiration of the grant POP and justifications must be submitted in writing.

Closeout Requirements

The grantee has up to 90 days following the expiration of the grant POP to liquidate valid expenditures incurred during the POP. Cost underruns remaining after the POP expiration date must be reported to FEMA for de-obligation.

Grantee Closeout Process

The closeout process for the grantee involves the following steps:

- The grantee notifies FEMA that the grant is ready for final closeout. Any reconsiderations should have been resolved at this point;

- The grantee conducts a site visit to ensure the approved SOW was completed;
- The grantee receives and processes cost adjustments or returns unobligated cash to FEMA (via SMARTLINK). Final payment is made to the grantee;
- The grantee reconciles or adjusts subgrant costs (ensures that all costs submitted are eligible and conform to the FEMA-approved SOW);
- The grantee submits a closeout letter to FEMA with supporting documentation, including:
 - SF 270, Final Request for Payment, if applicable, or request for de-obligation of unused funds, if applicable;
 - Closeout Inspection Report including the date work was completed and a statement of whether the SOW was completed as approved;
 - Environmental Closeout Declaration Form outlining specific NEPA conditions and initialed by the local project monitor verifying each condition has been met;
 - FEMA Form 20-18, Report on Government property, if applicable;
 - Federal Financial Report (FFR) SF-425; and
 - Report of Un-obligated Balance of Federal Funds, Draw Downs, and Un-drawn Funds (FEMA Form 20-19).
- Grant is closed out in program and financial systems; and
- The grantee maintains the complete grant closeout records file for at least 3 years from the submission date of its single or last expenditure report (see CFR 44 Part 13.42).

C. Reporting Requirements

FFRs and Performance Reports are due within 30 days of the end of each calendar quarter, as follows:

- October 1 – December 31: Due January 30;
- January 1 – March 31: Due April 30;
- April 1 – June 30: Due July 30; and
- July 1 – September 30: Due October 30.

Federal Financial Report

Obligations and expenditures must be reported on a quarterly basis through the FFR (SF-425), which is due within 30 days of the end of each calendar quarter (e.g., for the quarter ending March 31, the FFR is due no later than April 30). A report must be submitted for every quarter of the POP, including partial calendar quarters, as well as for periods where no grant activity occurs. Future awards and fund draw-downs may be withheld if these reports are delinquent. The final FFR is due 90 days after the end date of the performance period.

OMB has directed that the FFR SF-425 replace the use of the SF-269, SF-269A, SF-272, and SF-272A, which are no longer available. The FFR will consolidate the Federal Status Report and the

Federal Cash Transaction Report into a single report. The SF-425 is intended to provide Federal agencies throughout the government and grant recipients with a standard format and consistent reporting requirements.

Performance Reports

The grantee must submit performance reports for each grant award to the FEMA Regional Office within 30 days of the end of the first Federal quarter following the initial grant award. The FEMA Regional Administrator may waive this initial report. The grantee must submit quarterly performance reports thereafter until the grant ends. Performance reports must include the activity name or other identification, as well as:

- A description of significant activities and developments that have occurred or have shown progress during the quarter, including a comparison of actual accomplishments to the work schedule objectives established in the application or subapplication;
- Indication of whether completion of work is anticipated within the POP. If not, provide description of any problems, delays, or adverse conditions that will impair the ability to meet the stated objectives in the application or subapplication; and
- Indication of whether cost underruns, cost overruns, change of scope requests, or requests for extension of the POP are anticipated.

Final Reports

The grantee must submit a Final FFR and Performance Report within 90 days of the grant POP expiration date, per 44 CFR §13.50.

Article VII. FEMA CONTACTS

Programmatic questions may be directed to:

Nicole La Rosa

FEMA Headquarters

Mitigation Directorate

FEMA-JES-PDM@dhs.gov